Automotive News

DECEMBER 30, 1991

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$70/YEAR; $2/COPY

NEWSPAPER

C2710-3

#BXBBDJB*******5-DIGIT 20814
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late news

Saab unveils multi-fuel car

TROLLHATTAN, Sweden — Saab has built a prototype 9000 sedan that will operate on gasoline, methanol or ethanol fuels.

The engine incorporates advanced fuel injection and ignition system enhancements and a "six-liter blending tank" in order to properly digest gasoline or alcohol-based fuels. The blending tank ensures that the fuel combinations will mix in a controlled manner, allowing the electronically controlled ignition and fuel system to adapt to the fuels' differing properties.

Saab has applied for patents on the unique system, which does not require a separate alcohol-content sensor but relies solely on the standard exhaust pipe oxygen sensor.

GM builds 100-mpg 'Ultralite' car

Two-stroke powers sedan to 135 mph

JACK KEEBLER
Staff Reporter

WARREN, Mich. — General Motors has secretly built a four-passenger car that performs like a quick production car and gets just a shade under 100 mpg.

It will not be a secret for long.

GM will show the 1,400-pound sedan at the North American International Auto Show in Detroit next month.

The "Ultralite" will showcase GM's latest thinking on aerodynamics, emissions, safety and advanced two-stroke powertrains.

For the car's lightweight carbon-fiber body, GM turned to Burt Rutan, the aviation wizard who flew the lightweight Voyager plane around the world non-stop on one tank of fuel.

Rutan is founder of Scaled Composites Inc. of Mojave, Calif., which specializes in leading-edge aircraft designs in high-tech plastics.

Unlike most concept cars that promise super-high mileage, Ultralite is no lightweight in the performance department. The company reports that the car goes from zero to 60 mph in just 7.8 seconds and has a top speed of 135 mph.

"We wanted the car to be exciting," said Donald L. Runkle, vice president of GM's Advanced Engineering Staff. "We wanted the car to be fast. We wanted it to be fun to drive, not just because it got 100 mpg."

Runkle said the company has attempted to make the vehicle comply as closely as possible to production standards. This required meeting engineering and design targets normally reserved for production vehicles: ultra-low emissions, current and future safety standards, comfortable accommodations for four, and even an automatic transmission and air conditioning.

Aviation wizard Burt Rutan helped design and build the Ultralite's body out of carbon fiber. The four-passenger sedan weighs just 1,400 pounds.

Runkle's Advanced Engineering Staff provided overall program management.

The primary goal for the project, which began in late April, was 100 mpg. But team members decided in a May "brainstorming" session that economy without good performance, reasonable passenger capacity, low emissions and the ability to comply with federal safety standards would be the engineering equivalent of an empty promise.

High-mileage concept cars recently shown by Japanese carmakers at international auto shows have drawn heavy criticism from U.S. makers because they aren't practical for production.

Although Runkle admits that

see ULTRALITE, 31

Media cast grim view of GM

PHIL FRAME
Staff Reporter

General Motors: The corporate dinosaur; fallen symbol of capitalism; uncreative; complacent; arrogant; fat; sluggish; devious; greedy; at once grinchy, scroogy and overly generous.

That's the GM that has appeared in the print media since the company announced a major retrenchment in its U.S. and Canadian operations on Dec. 18.

The media portray a U.S. automobile industry in dire straits, possibly on its last legs. If GM fails to turn itself around, several news reports suggest, the whole U.S. car industry could collapse.

On Dec. 22, *The New York Times* carried a report from Tokyo quoting a senior Japanese diplomat saying he sympathized with Americans who were witnessing the collapse of their car industry.

Says *Newsweek* in its Dec. 30 issue: "GM's Christmas massacre was a stark symbol, the downsizing not just of a company or of an embattled industry, but of America's expectations."

GM Chairman Robert Stempel's plan to eventually close 21 plants and remove 80,000 workers — 60,000 hourly, 20,000 salaried — from U.S. and Canadian payrolls would give the 1995 version of GM just half the employment of the 1985 GM.

But some media reports said GM still misses the point.

see MEDIA, 29

1991 newsmakers of the year

A year of 'agony', Page 6; Flops and coups of '91, Page 8; Staff predictions for '92, Page 29 ➤

Richard Bryan: Nevada senator makes makers nervous on CAFE and safety. His proposal for a 40 percent increase in CAFE was a big issue in 1991 and will be even bigger in 1992.

John Dingell: Detroit's friend in Washington looks for skeletons in Toyota's closet. Powerful Michigan congressman has long record of support for domestic auto manufacturers.

John Grettenberger: Is making a Cadillac a Cadillac again. Seems to have a pair of winners in the 1992 Eldorado and Seville. Hey there, young rich folks, Cadillac wants you in a Cadillac.

Lee Iacocca: While outsiders speculated on Chrysler's demise, he cut costs and floated a stock issue. Enlisted Ford's and GM's support in charging Japanese with dumping minivans.

J. Davis Illingworth: Solid sales gain for Lexus in 1991 proves that first-year success was no fluke. Plus, his division has new products as it reaches for more of the high-priced market.

Nobuhiko Kawamoto: Honda becomes No. 3 in car sales in United States, introduces new Civic and Prelude. Honda Japan president shakes up management structure and entire corporate culture.

Robert Lutz: Emerges as major Japan-basher, heir apparent to Iacocca and apostle of quality. Directed Chrysler's slimming-down and adoption of vehicle platform teams. Brings global view.

Edward Mertz: Buick is up in a down year, the only domestic to show a sales gain for the 1991 model year and the calendar year to date. General manager cleared up Buick's fuzzy image.

James Moran: Rough days for a big operator (about 150,000 cars and trucks a year) as garden-variety legal problems for Southeast Toyota Distributors blow up into international tension.

Robert Stempel: Stresses quality as prime aim, even if all those new cars are slow off the line. After brutal year, announces sweeping cost-cutting program to make GM profitable.

Automotive News

STORY OF THE YEAR
The agony of the industry led the news in 1991. PAGE 6

TOP FLOP OF 1991
The patriotic boom fizzle out is Flop of the Year. PAGE 8

DUMPING DEBATE
Importers react to ruling in minivan case. PAGE 10

RACING TO CHANGE IMAGE
Oldsmobile sees a winner in its Achieva SCX. PAGE 10

NEW NADA PRESIDENT

▲ Strauss wants strong agenda for dealer group. PAGE 10

GOOD NEWS, BAD NEWS
Government forecasts rise in sales, dip in profits. PAGE 21

COSTS HIGHER IN U.K.
Ford finds its British plants costs more to run. PAGE 29

DEPARTMENTS	Page
Auction ads	22-25
Classifieds	26-28
Dealers	20
Incentives	30
Keith Crain	12
Letters	12-14
Opinion	12
Personnel	20
RVs	18

DECEMBER TABLES	Page
DECEMBER 2	
Sales, 10-day by make	6
Production, weekly by model	39
DECEMBER 9	
Sales, November top 10	42
Sales, November by maker	42
Sales, year to date by maker	42
Sales, domestic car by model	43
Sales, light truck by model	43
Production, weekly/Nov. totals	47
DECEMBER 16	
Sales, import car by model	42
Sales, Canada by make	32
Sales, dealer by make	42
Inventory, as of December 1	43
Production, weekly by model	47
DECEMBER 23	
Sales, 10 day by make	26
Sales, truck by gvw	12
Production, weekly by model	31

66th year—No. 5426

Advertising Production Dept. (313) 446-6063
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In Michigan ..... (313) 446-0490
Outside Michigan 1-800-678-9595
Classified Ad Department ..... (313) 446-6085
Display Ad Department ..... (313) 446-6030
Editorial & Business Offices . (313) 446-6000

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207-3187. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207-3185.

JIM DUNNE/POPULAR MECHANICS

T-bird flies with new beak

Planned installation of the single-overhead-cam version of Ford's 4.6-liter modular V-8 will allow designers to lower the hoodline on the 1993 Thunderbird, as demonstrated in this spy photo of a prototype. The "mod-eight" will replace the taller 5.0-liter V-8 now used. A dual-overhead-cam version of the engine may show up later in the Thunderbird Super Coupe.

Quiz

Look on the bright side. The best thing about 1991 is that it's over. The year will be remembered for: the Big 3 bathing in red ink, Peugeot and Sterling throwing in the towel, monthly sales that never beat the year-ago tally, General Motors announcing major cutbacks in personnel and facilities, and the Big 3 accusing some Japanese makers of dumping minivans in the U.S. But that's not all. Test your memory — if you dare to remember. Answers are below.

1. Three domestic car nameplates did not make it from the 1991 model year to 1992. Name them.
2. What was the top selling vehicle in the 1991 model year?
3. Only four automakers had vehicles on the list of top 10 sellers for the 1991 model year. Name them.
4. Which plant in the United States produced the most 1991-model vehicles?
5. What is the largest automobile auction group in the United States?
6. Malcolm Bricklin returned to the automotive scene this year. What is his latest scheme?
7. What is the lowest-priced 1992 model that is currently on sale?
8. What is the highest-priced 1992 car that is currently on sale?
9. What is the yearly turnover rate for salespersons at car dealerships?
10. Who returned to the helm of an auto import firm 2½ years after being ousted from the same job?
11. Is the National Automobile Dealers Association for or against customer incentives?
12. How many women are vice presidents of the Big 3? Name them.
13. Which makers made big splashes last summer with announcements of lean-burn engines?
14. What is the federal luxury tax on automobiles?
15. The Big 3 have formed consortia to study seven areas. Name at least three of those areas.
16. Lee Iacocca announced his retirement date. When does he plan to vacate the Chrysler helm?
17. Three top executives of auto companies operating in the United States are over 65. Name them.
18. Only one domestic make has sold more cars in 1991 than in 1990. Name it.
19. How many consecutive years has the Honda Accord been the top-selling car in the United States?
20. How much did General Motors pay former chairman Roger Smith in pension for 1991?

ANSWERS

1. Buick Reatta, Oldsmobile Calais and Pontiac 6000
2. Ford F-series pickup
3. Ford, Chevrolet, Honda and Toyota
4. The Ford truck plant in Louisville, Ky., which produces the Ford Explorer, Ford Ranger and Mazda Navajo
5. Manheim Auctions
6. To refurbish and sell used cars on a 50-acre Phoenix site called the Auto Ranch
7. The Mitsubishi Precis ($6,579)
8. The Aston Martin Virage ($227,250)
9. 50 percent
10. Yugo America's William Prior. He left again last month.
11. For them
12. Four: Marina V.N. Whitman, Betsy Ancker-Johnson and Shirley Young of GM and Helen O. Petrauskas of Ford
13. Honda and Mitsubishi
14. 10 percent on the amount of the transaction price that exceeds $30,000
15. Auto oil, batteries, CAD-CAM, composites, environment, multiplexing and recycling
16. At the end of 1992
17. Lee Iacocca, Robert McCurry and Harold Poling
18. Buick
19. Three
20. $1.2 million

briefly

You give more for the same go

You're just blowing bucks out the tailpipe if you think you're getting better performance from high-octane gas. The Federal Trade Commission just got Sunoco to agree that its claims of more engine power and zip from its Ultra brands are without "reliable scientific evidence." If the owner's manual doesn't call for premium, don't use it.

PENNANT FEVER — Not every **Ford** supplier is excited about the banner that goes with a Q-1 quality award. **Nissan Motor Manufacturing Corp. U.S.A.** builds the body panels for the **Mercury** Villager/Nissan Quest minivan, but the jury is still out on whether it will have to qualify as a Q-1 supplier. If it does, quips Jerry Benefield, chief executive officer for Nissan and an ex-Ford guy, "I don't think I'll fly the flag."

Benefield: no flag here

HOME DELIVERY — **Oldsmobile** kicked off the public introduction of the Achieva when 85 **General Motors** employees flew to Los Angeles from Lansing, Mich., last week to deliver an Achieva to the car's first buyers in Southern California. The launch included a press conference in front of Greg and Mimi Wenger's Marina del Rey home and a block party for the neighborhood. Olds hopes that the Achieva will help curtail domestic defection in car buying and that it will attract buyers in the 35- to 45-year-old age group. One out of two isn't bad. The Wengers are both 60.

IT LOOKS REAL — Radio Beijing says Chinese authorities in Hunan province are cracking down on counterfeit versions of "famous-brand" goods. You can tell it's not a genuine **Chrysler** Fifth Avenue if the anti-lock brake system has been hand-carved.

THAT'S GRATITUDE — **Toyota Motor Sales U.S.A. Inc.** honored Tim Benson of Hampton University and Brad Culpepper of the University of Florida with Toyota's 1991 Leader of the Year Award. "I'm grateful you've acknowledged my accomplishments," said Benson. "And also for not taking into account what kind of car I drive." He just bought a **Nissan** Sentra.

LOOKING AHEAD — The Commerce Department decided the **Mitsubishi** Expo and Expo LRV are not minivans, so they dumped Mitsubishi from the dumping case filed May 31 by the Big 3. (**Mazda** and **Toyota**, found guilty of dumping, react on Page 10.) But evidently investigators think some Japanese companies besides Mazda and Toyota might import a minivan someday, and when they do, the dumping penalty will be 4.23 percent. So there.

HOW TO SELL CARS — Spring is the selling season, right? So dealer Bruce Griffin of Griffin Motor Co. in Monroe, N.C., ordered the showroom walls turned into a 60-foot mural of a spring sky with puffy white clouds, blue sky and sunshine. It makes you think of "cruising with the wind blowing through your hair," says artist Jean Stromberg, who designed the painting for the **Pontiac-Buick-GMC-Isuzu** point.

in brief

RECREATIONAL VEHICLES

Choo Choo plans return to business

CHATTANOOGA, Tenn. — Choo Choo Customs Inc., formerly one of Chevrolet and GMC Truck's largest van converters, expects to begin operating again in January.

Choo Choo filed for Chapter 7 bankruptcy protection Sept. 23, the victim of hard economic times.

Since then the Faires Group, a Knoxville, Tenn., investment company, agreed to pump enough cash into Choo Choo to put it back into operation, said John Rogers, Choo Choo's president.

Both Rogers and Terry Rutherford, who had been the firm's executive vice president, will continue in their same positions.

Choo Choo has a core of 200 to 250 dealers with whom it has maintained steady contact and from whom it has received strong encouragement, Rogers said. It sells through about 500 to 600 dealers nationally.

Rogers said the company would be more focused on converting compact and full-sized General Motors vans when it resumes production, though it still expects to do some other types of vehicle customizing.

He anticipates converting 3,000-plus chassis in calendar 1992 and between 5,000 and 6,000 in 1993.

Choo Choo has retained its former sales and production people for the startup.

Chupp & Sons scores with Dodge

Chupp & Sons Conversions Inc. of Elkhart, Ind., ranked fourth among Dodge Division's top 10 consignment pool accounts in November, its first month as a pool member.

For the 1992 model year through November, Mark III Industries of Ocala, Fla., was Dodge's highest-volume converter, followed by Ram Coach Inc. of Elkhart; Starcraft Van Conversions of Topeka, Ind.; Elk Enterprises Inc. of Elkhart; and Glaval Inc.'s Prime Time operation in Elkhart.

Some converters were delayed in getting up to full speed in producing 1992 models because they had to adapt to new federal safety regulations which took effect at the start of the model year.

RVIA sees record shipments in 1993

RESTON, Va. — The Recreation Vehicle Industry Association estimated van conversion wholesale shipments at 134,000 for calendar 1991, 23.1 percent below the previous year.

John DeWolf, economic consultant for RVIA, sees shipments picking up by 35.1 percent in calendar 1992 to 181,000 units.

In 1993, he sees shipments reaching an all-time record of 206,000 units, just ahead of the previous record of 204,200 shipped in calendar 1988.

Makers use incentives to boost market

Cautious floorplanning may bring spring crunch

JOSEPH BOHN
Truck Editor

Auto dealers, worried about floorplanning costs, have been reducing their van conversion inventories. But the Big 3 are countering with incentives to pump up the market.

Dealer inventories of van conversions are "a little lower" than last year's low levels, according to Jim Green, Chevrolet assistant RV manager. He declined giving specific numbers, but said this year's inventory is a lot newer.

Caught by a war last year, dealers were still carrying a lot of 1990 conversions during December and January. Now, "most of what's around is fresh (1992 model) stuff," confirmed Gary Soos, general manager of Custom Craft, a Milwaukee-based converter.

He noted that some dealers had been calling him and other converters seeking 1991 chassis without any success.

Chevrolet and GMC have been building a lot of extra inventory and stocking it with converters in anticipation of the Lordstown, Ohio, plant shutdown and a strong spring upturn.

With low inventories, dealers are likely to go into the spring market short of product — as they did last year.

General Motors, though, will be in a "good position," Green said.

"I'm very pleased with the way converters have stepped up to order extra product, even in the current economic climate," he said.

To hike demand, GMC Truck did a direct-mail rebate offering at the end of November to 250,000 van conversion owners and first-time buyer prospects.

The rebate offers an additional $1,000 off on 1991 and 1992 full-sized G-van conversions and $800 off on compact M-van conversions through Feb. 4.

Chevrolet and GMC have already been offering $1,000 rebates on 1991 and 1992 full-sized conversions and 1991 M-van conversions through Feb. 4. They also have a $750 rebate on 1992 M-van conversions through that date.

Although GMC's direct mail literature doesn't say so, any customer can take its rebate coupon to a Chevrolet dealership and get the same discount on the same products. Chevrolet notified dealers of the interchangeability of the coupon in a bulletin.

Some dealers are already advertising their acceptance of the coupons.

The interchangeability is designed to avoid antagonizing potential Chevrolet buyers.

For its part, Chevrolet has done a direct mailing to 800,000 prospective commercial van buyers. They qualify for an extra $800 rebate on G-vans outfitted with selected vocational equipment such as interior bins and racks; $700 on Astro cargo vans; $600 on High Cube vans; and $500 on APV Cargo vans. The offer is good through through Feb. 4, according to Kari St. Antoine, a Chevrolet spokeswoman.

Chevrolet's direct mail rebate coupons can also be used on GMC vans.

Ford, with a completely restyled Econoline, has been reluctant to discount it as heavy as competitors. The company did increase its previous $500 customer rebate on Econoline van conversions to $1,000 on Dec. 4. The program runs through Feb. 4.

The programs encourage dealer stocking. Ford also is offering dealers an extra 90 days' free floorplanning on van conversions in addition to the 60 days they automatically get.

"Ford is trying to get more units out to the dealers and get more dealers involved in selling conversions," said Jerome Mittman, Ford RV sales manager.

Dodge dealers are still stocking conversions at a relatively strong level, according to a Chrysler Corp. source.

But Chrysler also is supporting the market with special incentives.

From Dec. 21 to Jan. 31, the company has $1,000 rebates or alternative low-interest financing on Dodge Ram Wagon vans and van conversions and $750 on minivans, including the commercial Caravan C/V that is used by converters.

Tough stuff

Advanced Generation Motors in Miami has created the Rhino, billed as the "world's most luxurious bullet-resistant" vehicle. The price of the Rhino ranges from $60,000 to $135,000, depending on options such as bullet-proof glass, army tank-like armor and a bomb blanket. Company President Alejandro Gonzalez, a Nicaraguan refugee and former Yugo dealer, plans to come out with a more aerodynamic family passenger version in 1992. The vehicle is basically a conversion of the Mitsubishi Montero.

Big 3 expect hike in motor home sales in 1992

JOSEPH BOHN
Truck Editor

The Big 3 see an increase in motor home sales for calendar 1992, a market in which they are major chassis suppliers.

Jerome Mittman, Ford Division RV sales manager, sees conventional Class C motor homes, which are built on Econoline cutaway chassis, increasing to about 16,000 in calendar 1991 from an estimated 13,600 in 1991.

Ford has improved its 1992 Econolines with better ride, handling and steering controls.

The company also plans to offer a larger 50-gallon tank in the unit by March. The Econoline stripped chassis currently come with a standard 35-gallon tank.

Ford is a major supplier of this market with an estimated 85 percent share, according to Mittman. Chevrolet has the other 15 percent.

Chevrolet will make its major move in Class C models this fall, though, when it introduces its new GP-cutaway.

The unit features a G-van cab mounted General Motors' P-chassis. Thomas Jensen, an engineer with GM's Truck & Bus Group, said the GP cutaway motor home chassis will offer high gross vehicle weight ratings up to 14,500 pounds.

The chassis also will feature 158.5-inch to 208-inch wheelbase lengths, a choice of suspension systems, and a new fiberglass front tilt cab for easy serviceability.

Thomas Pfingst, Chevrolet assistant director of fleet sales, truck and special vehicles, believes the GP will give his division a big edge on Ford's chassis, which is limited to 11,500-pounds gvw.

Class C motor homes have been seeking higher gvws as buyers ask for larger floorplans and more options in their vehicles.

Chevrolet and Ford also compete fiercely in the Class A motor home business, where Chevrolet has over 60 percent of the market.

Industry officials estimate sales of 25,000 Class As for calendar 1991, and are looking for an increase to about 30,000 in calendar 1992.

Ford has been coming on strong with its new Super Duty Class A, which garnered about 28 percent of the market in 1991.

Chevrolet captured slightly more than 60 percent of the market, according to Pfingst's estimate.

Other chassis suppliers, such as Oshkosh Truck Corp. in Oshkosh, Wis., make up the balance of the market.

The major suppliers, such as Ford, Chevrolet and Oshkosh, also supply these same chassis to the commercial vehicle market.

That market has actually been off a lot more than RVs, according to industry officials.

It's one of the reasons Chevrolet choose to do special rebate offer to commercial vehicle buyers in its direct mail program.

RECREATIONAL VEHICLE WHOLESALE DELIVERIES

	Oct. 1991	Oct. 1990	% change	10 mos. 1991	10 mos. 1990	% change
Travel trailers	4,200	3,900	+ 7.7	44,400	48,100	– 7.7
Park Trailers	800	700	+ 14.3	5,700	6,100	– 6.6
Travel trailers—fifth wheel	3,100	2,500	+ 24.0	24,700	25,100	– 1.6
Folding camping trailers	2,800	2,400	+ 16.7	27,700	26,700	+ 3.7
Truck campers	800	800	0.0	8,700	8,900	– 2.2
Towable RV total	**11,700**	**10,300**	**+ 13.6**	**111,200**	**114,900**	**– 3.2**
Conventional (type A)	2,300	2,100	+ 9.5	20,400	26,200	– 22.1
Van Campers (type B)	200	400	– 50.0	3,100	5,100	– 39.2
Chopped vans (all)	1,200	1,200	0.0	13,500	15,900	– 15.1
Motor home total	**3,700**	**3,700**	**0.0**	**37,000**	**47,200**	**– 21.6**
Van conversions	10,000	11,600	– 13.8	108,300	158,000	– 31.5
TOTAL ALL RVs	**25,400**	**25,600**	**– 0.8**	**256,500**	**320,100**	**– 19.9**

Source: Recreation Vehicle Industry Association

Staff foresees 5.2% sales gain for '92

JOHN K. TEAHEN JR.
Senior Editor

The editors and reporters of *Automotive News* are optimists, but they are not a bit like the "Cockeyed Optimist" that Mary Martin and Mitzi Gaynor sang about so engagingly in *South Pacific* a generation ago.

The staff looks for sales increases in all sections of the car market and in light trucks in 1992, but staff members expect only the sales of transplant cars to show a significant upturn.

The editors and reporters predict sales of 12,898,000 new cars and light trucks in the United States in 1992. That is a moderate gain of 5.2 percent over the 12,266,000 projected for the year of agony that ends tomorrow. Aside from 1991, the 1992 forecast is lower than actual sales in any year since 1983.

The 1992 estimate is the average of predictions by 29 *Automotive News* editors and reporter who participated in the annual guessing game.

While the staff sees an upturn in 1992, there is no unanimity of opinion about when the upturn will begin. Some said "after the election," with one GOP-phobe predicating it on the ouster of George Bush. Others think the sun may begin to peek through early in the year or in the second or third quarters.

Car sales are projected at 8,525,000 for 1992, an increase of 4.4 percent over this year, but the Big 3 are expected to play only a minor role in the gain. The staff sees 5,034,000 sales of Big 3 cars, up 2.8 percent.

Even so, that's a better performance than is expected for imported cars. Sales of 2,159,000 imports are forecast, up 2.4 percent.

Transplant cars are tabbed as the stars of the show from a standpoint of year-to-year gains. The staff believes that 1,332,000 transplant cars will be sold in 1992, an increase of 14.7 percent over 1991.

Sales of light trucks for 1992 are projected at 4,373,000, up 6.7 percent over 1991.

AUTOMOTIVE NEWS SALES ESTIMATES FOR 1992
(in thousands)

	1992	1991	Pct. change
Big 3	5,034	4,896	+ 2.8
Transplants	1,332	1,161	+14.7
Total domestic	**6,366**	**6,057**	**+ 5.1**
Imports	**2,159**	**2,109**	**+ 2.4**
Total cars	**8,525**	**8,166**	**+ 4.4**
Total light trucks	**4,373**	**4,100**	**+ 6.7**
TOTAL CARS, LIGHT TRUCKS	**12,898**	**12,266**	**+ 5.2**

1992 figures are an average of estimates by 20 Automotive News editors and reporters. 1991 estimates were compiled by the Automotive News Data Center.

Costs at Ford plants in U.K. higher than Europe units

VAUGHAN FREEMAN
Staff Correspondent

An internal report circulating within Ford of Britain reveals unit labor and overhead costs are as much as 40 percent higher in Britain than at Ford's continental European plants.

And despite assurances all year that Ford's main Halewood and Dagenham factories have a secure future, a Ford spokesman has conceded that they are at risk in the long term, especially from Japanese manufacturers.

The internal Ford report reveals that while in 1990 it took almost 64 hours to build an Escort at the Halewood, Merseyside, plant, it took only 34 hours to build the same car in Saarlouis, Germany. While it took Ford 52 hours to build a Fiesta last year at Dagenham, Ford estimates that Fiesta-sized cars being built by key rivals like Toyota and Nissan in Japan take only 20 hours to build.

Productivity improved through 1991, especially at Dagenham, which in 1990 sent production of the Sierra to Genk in Belgium and concentrated on more efficient production of the new Fiesta.

Details of the report were disclosed in the London *Financial Times*; Ford did not release them.

"Basically, continental plants have been quicker to adapt to new working practices than the British," a Ford spokesman said. "Workers here take longer to change work methods and tackle the job. The equipment is identical here and on the continent. It has been an attitude of labor over the years that has been slow to adapt."

FORD PRODUCTIVITY IN EUROPE

Factory/Vehicle	1989	1990	1991
Dagenham, England Fiesta	59.4	52.2	40.0
Valencia, Spain Fiesta	35.0	33.3	34.1
Cologne, Germany Fiesta	33.5	29.9	28.5
Halewood, England Escort	58.7	63.8	43.0
Saarlouis, Germany Escort	29.5	33.9	30.5
Southampton, England Transit van	70.4	73.2	64.0
Genk, Belgium Transit van	48.7	45.7	45.1

Source: Ford, according to Financial Times

Price increases choke sales in Brazil

SAO PAULO, Brazil — New-car and truck sales, hit by soaring price increases after the government lifted price controls, fell 5 percent in November from a year earlier, to 68,950 units.

Sales declined 14.2 percent from October, the second full month without price controls on new vehicles.

Some new-vehicle prices have trebled since controls were lifted in September.

For November, Brazil's inflation rate was 27 percent.

In the first 11 months of this year, domestic sales surpassed the total for all of 1990. Eleven-month sales were 715,213, up 10.7 percent over the 1990 period and 3,000 above the full-1990 total of 712,659.

Although seemingly contradictory, some economists say the runaway prices for new cars in Brazil may actually be buoying sales in the short run.

Under that theory, buyers are rushing to acquire new cars at almost any price on the assumption that prices will go even higher. Others reportedly are buying cars as a speculative investment.

— *Rik Turner*

MEDIA

Reaction to GM cuts paints dark picture

continued from PAGE 1

Sure, GM needs to cut bulk that cannot be supported by its market share. But it must get leaner, not just smaller. Stempel must make the organization more efficient, bring cars to market quicker and design the cars so they can be built more easily, reports suggested.

The Dec. 30 *Time* magazine contends, "Still missing at GM is any real sense of what such 'lean' operations are supposed to create and produce."

A similar theme rings through the cover story of the Jan. 13 *Fortune* magazine. It was written by Alex Taylor III.

In addition to cutting jobs and closing plants, GM "needs to restructure radically to get more efficient at everything it does," Taylor writes.

"That will mean sacrificing some long-standing GM shibboleths, such as maintaining a separate marketing operation for each of its six car divisions — Chevrolet, Pontiac, Oldsmobile, Buick, Cadillac and Saturn," the *Fortune* article continues.

As *Fortune* notes, GM's cuts will improve productivity — the number of cars produced per employee. But they will do nothing to help efficiency — the number of worker-hours required to build a car.

GM even became a metaphor for fat, dumb and happy. In *The Wall Street Journal's* "Heard on the Street" column on Dec. 20, a money market manager criticized blue-chip IBM Corp. by saying, "I'm not sure that IBM isn't just a General Motors that makes computers."

HITS WERE EXPECTED

The rough treatment is something that any large American institution should expect, said GM spokesman Terry Sullivan.

"One of the key things in turning around the media's coverage of General Motors is to prove these critics wrong," Sullivan said, by "showing that we have the ability and the commitment to improve our profitability, to improve our competitiveness in the '90s and to continue to be the world's premier automotive manufacturer."

He said GM already has demonstrated its willingness to listen and ability to change by satisfying the mid-1980s critics who said the company had too many look-alike models of poor quality. Now, GM is receiving positive reviews for having high-quality, distinctive products, Sullivan said.

Many newspapers zeroed in on the timing of the GM cutback announcement, portraying GM as a grinch that "stole Christmas" from its workers by not naming the plants to be closed.

On Dec. 22, *The New York Times* reported: "The company's decision left thousands of employees and their families to worry that they'd be on the hit list. Except top management. The leadership, says GM's chairman, Robert Stempel, 'remains in place.' "

> "One of the key things in turning around the media's coverage of General Motors is to prove these critics wrong."
>
> **TERRY SULLIVAN**
> GM SPOKESMAN

For other papers, GM's cuts had bigger ramifications.

■ *Los Angeles Times*, Dec. 23: The impact of the GM cuts on retailers "was like the last nail in the Christmas coffin."

■ *The Toronto Star*, Dec. 23: GM's announcement "marks the end of the era when the paycheck-based middle class could count on stable, long-term employment and rising income with a major corporation."

Media also painted a picture of GM in a state of boardroom disarray.

Time quoted unnamed board sources as saying that GM's outside directors became so concerned about losses in recent months that they began meeting privately, without the company's officers.

The *Time* source indicated that the jobs of GM Chairman Robert Stempel, President Lloyd Reuss and chief financial officer Robert O'Connell may be on the line.

"These are crisis times, and Stempel may not be a man for crisis management," *Time* quoted a GM director saying. "The rules have changed overnight from the old collegial culture, and he may be disoriented and in over his head."

Fortune also suggests that the board is not all in Reuss' camp, evidenced by the fact that it named him president but not chief operating officer.

GM has no chief operating officer, a major flaw in its corporate structure, some experts suggest.

> Media also painted a picture of GM in a state of boardroom disarray.

LEARNING FROM HISTORY

The cutbacks announced just before Christmas sent scores of analysts, editorialists, reporters and experts combing through years of GM corporate history and lore and current statistics to find out what led the company into its current difficulties.

The results have painted a grim picture of GM, the U.S. auto industry and the collapsing middle class culture:

■ *The New York Times*, Dec. 22: "Paleontologists say it took nearly a minute from the time a dinosaur's tail was nipped to the time it felt the pain. For the General Motors Corporation, that nip came way back in the 1970s, when imports first started creeping in."

■ *Newsweek*, Dec. 30: GM's "response to the arrival of Japanese cars in the 1970s was late, confused and inept. Paralyzed by an entrenched and arrogant bureaucracy, GM jeopardized decades of consumer good will by building cars of shoddy quality and stodgy style."

■ *The New York Times*, Dec. 22: "The jobs being abolished at the automotive plants are the kind of high-paying manufacturing jobs that were the foundation of the flourishing middle."

■ *The Toronto Star*, Dec. 23: "Many experts . . . saw GM's cutback as tolling the final bell on a time of complacency in U.S. business."

■ *The Toronto Star*, Dec. 21: "General Motors, for more than half a century the symbol of robust capitalism, prepares to cut back savagely."

■ *Los Angeles Times*, Dec. 20: "In handicapping the industry, analysts say Chrysler has the ability to adjust to a changing market more quickly than GM or Ford. . . . GM is the last of the Big 3 automakers to make major changes in the quest for more efficient North American operations. Worker productivity is higher at the plants of the company's American competitors. And GM lags behind its U.S.-based competition in the profit earned on each vehicle."

■ The Daily Telegraph from London, Dec. 20: "GM's arrogance . . . has not given way to humility. . . . Apart from direct job losses, dealers will close and suppliers will also have to cut back."

Credit rating disappoints GM

PHIL FRAME
Staff Reporter

General Motors said it was unfortunate that two credit agencies lowered their ratings for GM and General Motors Acceptance Corp. securities last week.

The ratings nonetheless will keep GM on the list of companies whose debt can be bought freely by money market funds. Securities and Exchange Commission rules prevent the funds from investing more than a small percentage of their assets in securities that do not have top ratings from at least two companies.

Failure to meet the requirement would have cost GM millions of additional dollars, as it would have been forced to borrow from more expensive sources to operate the business and floorplan its dealers.

Fitch Investors Services lowered its ratings on $5.4 billion worth of GM senior debt and $520 million worth of pass-through certificates from AA- to A.; $1 billion in preference stock from A. to A; $5 billion worth of GMAC senior debt from AA- to A.; and GMAC demand notes and several commercial paper programs from F-1. to F-1.

Meanwhile, Duff & Phelps Rating Co. lowered its ratings on GMAC senior debt from A. to A-. It rated GMAC subordinated debt for the first time at BBB.; and GMAC commercial paper for the first time at Duff 1. The ratings apply to about $79 billion worth of securities.

The other two rating companies — Standard & Poors Corp. and Moody's Investors Service Inc. — are reviewing the top ratings they have assigned to GM and GMAC securities and expect a decision this winter.

GM spokesman Terry Sullivan said it was "unfortunate the action was taken" by Fitch to lower its ratings.

Fitch "recognized the General Motors management and the board are taking significant action to improve the company's financial position and that the present economic environment was an influencing factor in the (rating) decision," Sullivan said.

Sullivan said he believes GMAC enjoys a healthy reputation in the financial community and probably will be able to get the money it needs at reasonable rates.

INCENTIVE WATCH— DEALER INCENTIVES

CONTINUING PROGRAMS

ACURA (1991 models, expires Jan. 3)

Legend sedan	$2,500
Legend coupe	$3,000
Integra (expires Feb. 3)	$500

ALFA ROMEO (expires Dec. 31)

164, 164L automatic (1991)	Up to $200 per car monthly in floorplan aid

AUDI (1991 models; expires Dec. 31)

Audi 100	$3,500
Audi 200	$4,000
Other models (if dealer orders quota from Audi)	$1,500-5,000 per sale
Other models (if dealer does not order quota from Audi)	$750-3,500 per sale

BMW (no expiration date)

750iL (1991)	$10,000

CHRYSLER CORP. (expires Dec. 31)

Jeep Cherokee (1991)	$500
Jeep Cherokee (1992)	$750

GENERAL MOTORS

Chevrolet (expires Feb. 4)	
Caprice (1992)	$250-800, quota
Camaro (1992)	$300-750, quota
Corvette ZR-1 (1992)	$2,000
Other Corvette (1992)	$1,000
Corvette ZR-1 (1991)	$3,000
Other Corvette (1991)	$2,000
Cavalier, Geo Storm (1991-92 models, expires Jan. 5)	0-$1,000, quota
C/K pickups (1991-92 models, expires Dec. 31)	$1,000
Cadillac Allante (1991) (no expiration date)	$7,500 on first sale, $8,500 on additional sales
Pontiac Sunbird	$300

HONDA (expires Dec.31)

All 1991 models except CRX	$500

ISUZU (1991-92 models, unless otherwise noted; expires Dec. 31)

Cars*	$800-1,800
All pickups*	$1,000-1,500
4x4 pickups (bonus, 1990-91)	$500
Trooper*	$1,500-1,800
Rodeo*	$00-500

*Based on number sold

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

MITSUBISHI (expires Dec. 31)

Rebates vary by region and apply to 1990-92 models.

Mirage	$500-1,000
Eclipse	0-$1,300
Galant	0-$1,750
Pickups	0-$1,200
Montero	0-$2,000

NISSAN (expires Jan. 3, unless otherwise noted)

1992 models

Stanza	$1,000
Maxima GXE	$800
Sentra	$300
Pickups	$900
Pathfinder	$600

1991 models

Stanza	$1,800
Maxima	$800
240SX	$600
Sentra	$300
Pathfinder	$1,400
Pickups	$1,200
300ZX (expires Feb. 2)	$2,500-3,500, quota

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

SUBARU (expires Jan. 3)

Legacy (1991)	$1,200-1,700, based on region

SUZUKI (expires Feb. 3)

Swift (1992)	$400-700
Swift (1991)	$700-1,000
Sidekick (1992)	$200-700
Sidekick (1991)	$700-1,000

TOYOTA (expires Jan. 3, based on quota)

Camry (1991), Corolla (1991-92)	$500-700,
Base 4x2 pickup (1991-92)	$1,000-1,400,
Other pickups	$600-1,000,

VOLKSWAGEN (no expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

VOLVO (1991 models; expires Dec. 31)

240 series	$1,500
740 series	$1,750-2,500
940 series	$1,500-2,500
780 coupe	$2,500

CYCLES

Japan still prefers 4-year product run

continued from PAGE 3

Nearly all Japanese companies say they would like to have longer cycles, and company officials insist that is the trend. But no one expects a formal announcement of a policy change — in the way that companies lined up recently to announce U.S. component-buying targets — and no company has lengthened its product cycle on a major platform.

"We are thinking of extending cycles," said a Nissan Motor Co. spokesman. "How long — five or six or seven years — we can't tell you at the moment. But they will be longer than before."

The Nissan spokesman said suppliers who think Japan remains on a four-year cycle may not yet be aware of the change.

"It is happening already," he said, "but we won't see products until four or five years later. Obviously products launched next year or in two years won't be affected. It will filter down" to suppliers eventually.

Auto executives concede that longer product runs have not yet been implemented, except in some developing countries and on some specialty products.

"The next Accord will come after four years," said Honda President Nobuhiko Kawamoto.

That means it will arrive in the early fall of 1993 — probably at the Frankfurt Auto Show.

Can Honda ever risk five-year cycles on its bread-and-butter Civic and Accord models?

"At this moment, I cannot definitely say," said Kawamoto. "But in business conditions such as we have today, I think that could be one of the selections.

"It depends on the competitive conditions. We should be flexible. For instance, we sold the last Legend for five years, so we've already had an experience postponing one year longer. In that case, the sales totals were comparatively small. But at the same time we learned a lot."

Honda is a small player compared to Toyota Motor Corp., which has more than 40 percent of Japan's passenger-car market. If Toyota and Nissan go along with MITI and lengthen cycles to five years, the industry would have changed. But Toyota is apparently satisfied with a four-year turn.

"We think that a four-year cycle is very reasonable," said a Toyota spokesman. "Of course, there are advantages and disadvantages for making a model cycle shorter or longer. We have to mount the newest technology as soon as possible."

While all Toyota vehicles don't necessarily appear in precise four-year intervals, he said "basically, the system is to make a new car in four years."

A replacement for the current Toyota Supra, now in its fifth year, will not reach the market until February 1993 — extending the model cycle of the current version to six years. But a Toyota official says that does not reflect a change in policy: "We tried to do it in four years, but felt that we couldn't."

Western analysts see no benefit to the Japanese by lengthening cycles, since part of their market success has been based on quick introductions of new technology.

"I doubt if they would go" to longer cycles, said W. Wayne Booker, vice president of Asia-Pacific Automotive Operations at Ford Motor Co., who supervises Ford's relationship with Mazda Motor Corp. "I don't know why they would. They've developed a capability, why back away from it?"

A Tokyo auto analyst added: "I really haven't put much stock in the talk of longer cycles. Even a company like Toyota that is trying to project a less aggressive image is not backing off."

Clearly, some niche cars are not hewing to the four-year cycle. Nissan, for example, is about to launch a new March, its first entry-level model in 10 years. Mitsubishi in 1991 introduced its first new Pajero in nine years. The brand new Isuzu Bighorn/Trooper is the first since 1981.

"Specialty vehicles take a bit longer," said Stephen C. Usher of Kleinwort Benson International in Tokyo. "But Corolla, Accord, Bluebird are going to come out like clockwork every four years."

Not all specialty cars have longer runs. Toyota's current MR2 two-seater debuted at the Tokyo show in October 1989 and is said to be destined for replacement in the fall of 1993, with an all-new concept — a 2.0-liter small sports sedan.

In the past decade, American and European companies have been struggling to catch up with the four-year standard set in Japan. American development time has been cut dramatically, but product cycles remain at five to six years. For instance, Ford's Taurus was introduced in December 1985, and redone this year.

In Europe, product cycles are even longer. The Volkswagen Golf, Europe's top seller for the past several years, was replaced this fall after seven years on the market, and at that it was rushed to meet competition from General Motors' new Opel/Vauxhall Astra. That makes the Japanese four-year cycle highly political and has led to speculation of Japan going to a five-year cycle in Europe.

But the Toyota spokesman said a different European timetable is unlikely so long as product engineering is centered in Japan. When independent research and development centers are established elsewhere, longer regional cycles may be possible, he said.

Car company officials firmly deny that cycles will become even shorter.

A Mazda official said the technology exists to take the development cycle down to three years, but the company will not do it.

INCENTIVE WATCH — CUSTOMER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.

Expires Jan. 31. Finance rates in lieu of rebates run from 0 to 9.9 percent on Sundance, Shadow, Acclaim, Spirit, LeBaron sedan and Cherokee, and from 4.9 to 9.9 percent on other models.

In addition to the rebates on retail purchases listed here, Chrysler Corp. offers rebates under its Gold Key Plus Program. The rebates, which expire Dec. 31, are $250 to $2,000 on 1992 models and $150 to $1,975 on 1992 models.

1990-92 models

NATIONAL REBATES	
Chrysler Imperial	$2,000
Dodge Monaco	$1,500
Shadow	$1,000
Colt 3-door	$500
Dodge Ramcharger	$2,000
Eagle Premier	$1,500
Talon	$1,000
Summit 3-door	$500
Jeep Comanche	$750
Wrangler	$500
Plymouth Laser, Sundance	$1,000
Colt 3-door	$500
REGIONAL REBATES: Northeast	
Chrysler LeBaron sedan	$1,500
Dodge Spirit	$1,500
Dodge Dakota	$1,000
Jeep Cherokee	$1,500
Plymouth Acclaim	$1,500
All Chrysler Corp. minivans	$1,000
REGIONAL REBATES: Central, West	
Chrysler New Yorker Fifth Avenue	$1,500
New Yorker Salon, LeBaron sedan	$1,000
Dodge Dynasty, Spirit	$1,000
Dodge Ram gas pickup (Central only)	$1,500
Ram wagon	$1,000
Dakota	$750
Dodge Ram gas pickup (West only)	$750
Ram 50 pickup	$500
Jeep Cherokee	$1,500
Plymouth Acclaim	$1,000
All Chrysler Corp. minivans	$500

FORD MOTOR CO.

1992 models

Expires Feb. 4. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered. Finance rates differ by vehicle lines and regions. No finance rate incentives on Lincoln models.

Ford Festiva, Tempo, Taurus	$500
Escort GT and LX-E, Mustang, Thunderbird	$750
Probe, Taurus SHO, Crown Victoria	$1,000
F series, Aerostar	$500
Ranger	$750
Aerostar (Northeast), Bronco, Econoline (RV pkg.)	$1,000
Mercury Topaz, Sable	$500
Capri, Tracer LTS, Cougar	$750
Grand Marquis	$1,000
Lincoln Town Car, Mark VII, Continental	$1,000

Pre-1992 models

1990-91 Ford Division models and 1991 Lincoln-Mercury models. Expires Feb. 4. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered. Finance rates differ by vehicle line and region.

Ford Tempo, Taurus	$400
Taurus SHO	$600
Escort, Mustang, Thunderbird	$750
Festiva, Probe	$1,000
Ranger, F series, Aerostar, Econoline (except E-150 RV)	$400
Aerostar (Northeast), Bronco, Econoline E-150 (RV pkg.)	$1,000
Mercury Topaz, Sable	$400
Tracer, Cougar	$750
Capri	$2,000

GENERAL MOTORS

Expires Feb. 4. Finance rates in lieu of rebates start at 2.9 percent for Buick, Oldsmobile and Pontiac; 6.9 percent for Chevrolet and GMC.

1992 models

Buick Skylark*	$250-750*
Century, Regal*	$250-1,000*
Riviera	$2,000
Chevrolet Caprice	$1,000
Geo Metro and Storm	$750
Geo Prizm, Camaro, Beretta, Lumina	$500
Cavalier	$500
G van, S/T Blazer, Lumina APV	$1,000
Geo Tracker, Astro, S/T pickup	$750
C/K pickup	$500
GMC G-van, S15 Jimmy (except Typhoon)	$1,000
Sonoma (except Syclone, GT), Safari	$750
Sierra (except Crew Cab)	$500
Oldsmobile Cutlass Ciera (national)	$1,000
Regional programs, various models	$500-2,000
Pontiac Trans Sport	$1,000
Grand Prix	$750
LeMans, Firebird	$500

*Based on option package selected.

1991 models

Cadillac All models except Allante (expires Dec. 31)	$2,000
Chevrolet Caprice	$1,000
Geo Metro, Camaro	$750
Geo Storm and Prizm, Beretta, Lumina	$500
Cavalier, Corsica	$300
V Blazer, Suburban, G-van, S/T Blazer, Lumina APV	$1,000
Geo Tracker, Astro, S/T pickup, R/V and C/K pickups	$500
GMC V Jimmy, Suburban	$1,500
S15 Jimmy, G-van, Safari	$1,000
Sonoma (except Syclone)	$750
Sierra, R/V pickups	$500
Oldsmobile - regional programs, various models	$500-2,000
Pontiac Trans Sport, LeMans, Firebird	$1,000
Grand Prix	$750

HYUNDAI

49 states (expires Jan. 6)	
Excel (1992)	$500
Excel (1991)	$1,000
Scoupe (1992)	$500
Scoupe (1991)	$750-1,000
Sonata (1991)	$500-1,500
California only (1991 models, expires April 2)	
Excel, Scoupe	$750-1,000
Sonata	$1,000-1,500
All states (1991 models, expires Jan. 6)	
All 1991 models if trade is a 1986-90 Hyundai	$1,000

MAZDA (expires Jan. 3)

Navajo (1991)	$1,000
Trucks (1992)	$1,000

MITSUBISHI (expires Dec. 31)

California (1990-91)	
Precis	$500
Hawaii (1990-91)	
Galant	$1,500
Eclipse	$750
Mirage	$500
Pickups, Montero	$750-800

ROLLS-ROYCE/BENTLEY (1991 models; expires Dec. 31)

All models Company pays U.S. luxury tax

SUBARU (expires Jan. 3)

Legacy L and L Plus (1992)	$500
Loyale (1991-92)	$500
XT, XT-6 (1991)	$2,000

Rolls-Royce institutes lease deal

LYNDHURST, N.J. — Rolls-Royce Motor Cars Inc. has launched its first-ever leasing program. The Silver Service Lease Program covers all Rolls-Royce and Bentley models.

Robert Wharen, vice president of marketing and sales, said the program features a 36-month lease for business or personal use. As an incentive, Rolls-Royce is reimbursing the luxury car tax until Dec. 31 on 1991 models as it does on retail purchases.

For example, a Silver Spur II sedan be leased for $15,000 down and $2,299 per month for a 36-month closed-end term. A Corniche III convertible requires a $20,000 down payment and a monthly rate of $2,999.

At the end of the three-year lease, the customer can return the car or purchase it at a predetermined residual value. The value is based on the car being driven up to 7,500 miles a year.

The lease program is available only through Rolls-Royce and Bentley dealers.

Saab picks HQ site

NEW YORK — Saab Cars USA has selected a site in a suburb northeast of Atlanta for its new headquarters.

Saab announced in September it was cutting its headquarters staff drastically and moving to the Atlanta area. The new facility will be in Norcross, Ga.

Out of 167 headquarters staff, Saab is relocating only 20.

About 100 persons will be hired. That number may include some present employees who move, but most will be hired locally.

— *Jim Henry*

SCHEDULED JAN. PLANT CLOSINGS

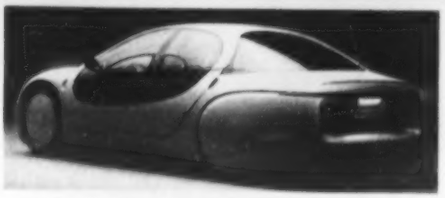
Plant	Weeks down	Units lost/ week
CHRYSLER		
Bramalea, Ontario		†
Sterling Heights, Mich.	1/6, 1/13	
Dodge Shadow		1,900
Plymouth Sundance		1,700
FORD MOTOR CO.		
Dearborn, Mich.	1/6	3,700
Ford Mustang		
Edison, N.J.	1/6	4,900
Ford Ranger		
Kansas City, Mo.	1/6	4,400
Ford Tempo		
Mercury Topaz		
Kentucky Truck (Louisville)	1/6	1,300
Ford heavy trucks		
Lorain, Ohio	1/6, 1/13*	4,300
Ford Thunderbird		
Mercury Cougar		
Lorain, Ohio	1/6	4,400
Ford Econoline/Club Wagon		
Michigan Truck (Wayne)	1/6	3,000
Ford Bronco		
Ford F series		
Norfolk, Va.	1/6	3,200
Ford F series		
Oakville, Ontario	1/6	4,800
Ford Tempo		
Mercury Topaz		
Ontario Truck (Oakville)	1/6	2,795
Ford F series		
St. Louis	1/6	4,900
Ford Aerostar		
St. Paul, Minn.	1/6	3,400
Ford F series		
Ford Ranger		
St. Thomas, Ontario	1/6	4,800
Ford Crown Victoria		
Mercury Grand Marquis		
Wayne, Mich.	1/6	5,900
Ford Escort		
Wixom, Mich.	1/6**	4,100
Lincoln Continental		
Lincoln Mark VII		
Lincoln Town Car		
GENERAL MOTORS		
Detroit	1/6	
Chevrolet P-model		475
GMC P-model		30
Fort Wayne, Ind.	1/6, 1/13	
Chevrolet C/K pickup		3,400
GMC Sierra		1,175
Lake Orion, Mich.	1/6, 1/13, 1/20	
Cadillac DeVille		3,900
Olds. Ninety Eight		1,200
Oshawa, Ontario (No. 1)	1/6	6,000
Chevrolet Lumina		
Oshawa, Ontario (No. 2)	1/6	4,000
Buick Regal		
Chevrolet Lumina		
Pontiac, Mich. (East)	1/6, 1/13, 1/20	*
Chevrolet C/K pickup		
GMC Sierra		
Pontiac, Mich. (West)	1/6	
Chevrolet S10 pickup		2,285
Chevrolet S10 Blazer		3,550
GMC Sonoma		1,000
GMC S15 Jimmy		1,220
Shreveport, La.	1/6	
Chevrolet S10 pickup		5,100
GMC Sonoma/Syclone		1,100
Chevrolet S10 Blazer		3,100
GMC Yukon		50
Wentzville, Mo.	1/6	5,900
Buick Park Avenue		
Olds. Eighty Eight		
Pontiac Bonneville		
Total U.S. car		36,500
Total Canada car		10,600
Total U.S. truck		46,685
Total Canada truck		2,795
Total units lost week of 1/6		106,580

†Plant closed for retooling until spring 1992.
*Plant idled due to maintenance.
**Plant idled due to materials shortage.
Source: Automotive News Data Center

No production last week

DETROIT — All U.S. and Canadian vehicle assembly plants were closed last week for the holidays. As a result, the *Automotive News* production table is not being published this week.

Production at some plants resumes this week. Others are on extended holiday shutdowns, as detailed in the table at left.



Ultralite has a super-slippery drag of just 0.19, almost as low as a jet fighter's.

GM defends bonuses to white-collar staff

THE ASSOCIATED PRESS

DETROIT — General Motors kept a promise to its white-collar workers when it paid them millions of dollars in merit bonuses before announcing sweeping cuts, a spokesman said last week.

Spokesman John Maciarz defended the company's decision to reward salaried workers despite its plans to eliminate 74,000 jobs and close 21 plants.

"We kept our promise to our employees," Maciarz said. "Equality of sacrifice is in the eyes of the person evaluating it.

"Hourly workers didn't get profit sharing, salaried workers didn't get Christmas bonuses or profit sharing and executives didn't get incentive pay, which amounts to about a third of their total compensation."

The UAW criticized the bonuses, reported last week by *The Oakland Press* of Pontiac, Mich. The newspaper said 80,000 of GM's 91,000 salaried workers received merit pay totaling about $80 million.

"I'm not sure where they're getting these numbers from," Maciarz said. But he confirmed that nonexecutive GM professionals recently had received merit pay.

Earlier this year, hourly employees were paid "performance bonuses" of about $1,000, roughly 3 percent of their 1991 earnings, Maciarz said. They also received the traditional $600 Christmas bonus, which was eliminated this year to the salaried work force.

UAW Vice President Stephen Yokich told the newspaper the bonuses didn't jibe with GM's restructuring.

"The sad fact is that the upper management side of the pain and suffering ledger at GM remains virtually blank, while apparently hourly workers are expected to make sacrifice after sacrifice," Yokich said.

ACHIEVA

Hot new two-door bound for racetracks

continued from PAGE 10

many shorter, lower-speed tracks the series will be run on.

Currently an Oldsmobile exclusive, the heart of the SCX package is the W41 Quad 4 engine. With a special camshaft, an electronics upgrade and low-restriction dual exhaust, the engine makes 10 more horsepower than the "high-output" 180-hp Quad 4 that is available to the other divisions.

The engine also features "pull-ahead" design features that won't make it into the lesser Quad engines until later in the model year. Some of those features include a stiffening web cast into the outside face of the block to reduce engine shake. Other noise-attenuation tweaks include a "double-laminated" camshaft cover and front timing-chain cover.

Engineers say quieting the Quad has become a priority. But so far, it has defied the company's best efforts. Other design changes to quiet the engine are a stiffer air cleaner housing, a "quarter-wave" induction pipe tuner and an idle speed reduction to 700 rpm. One engineer admitted that the company had even experimented with an expensive balance-shaft system in order to reduce engine shake. But the gears used to drive the balance shafts had proved too noisy for production.

Additional SCX performance features include: unique 14x6.5-inch aluminum-alloy wheels, 215/60VR-14 tires, an electronically controlled shock damping system that operates according to driver commands or automatically, a 1.3-inch wider rear track, dual rear anti-sway bars and a shorter fifth gear ratio.

ULTRALITE

High-mileage car set for Detroit show

continued from PAGE 1

technical hurdles remain on GM's two-stroke engine and that carbon fiber composites remain prohibitively expensive, engineers on the project attempted to address many of the practical issues required for producing a vehicle of this type.

GM's design staff felt that for Ultralite to be a viable concept, it must be attractive as well as aerodynamically efficient. The concept car features a coefficient of drag of just 0.19. The very sleekest production sedans are clustered around 0.29. A jet fighter plane is about 0.16.

To illustrate the benefits of a low drag: It only takes 4.1 horsepower to overcome Ultralite's aerodynamic drag at 55 mph, compared to about 15 horsepower to push an Audi 100 at the same speed.

"The car had to look friendly, whatever the fuel economy," said Charles M. Jordan, GM vice president in charge of Design Staff. "The buyer has got to say, 'I want that.' Some of the cars I saw in Frankfurt and Tokyo were double ugly. Making a small car look good is like tailoring a dwarf."

Design Staff was in charge of the vehicle's exterior and interior. The body structure by Rutan's Scaled Composites Inc. is made of a carbon-fiber composite.

At the rear of the body, a removable tubular steel powertrain spaceframe contains the engine and transmission. This "power pod" bolts into the rear of the composite body structure.

The vehicle weight of 1,400 pounds dramatically undercuts current production cars. A Saturn SL1 sedan weighs 2,343 pounds, while a Toyota Tercel LE sedan weighs 2,085 pounds.

The GM vehicle's wheelbase is 110 inches. Overall length is 165.6 inches. It is 64 inches wide and 50.8 inches high. And it has 5.7 inches of ground clearance.

The display vehicle's power pod has GM's 1.5-liter, three-cylinder two-stroke engine. But engineers said they could also easily create a battery-powered pod for commuters in areas such as parts of Southern California that might require electric vehicles.

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>
> **CHARLES M. JORDAN**
> GM DESIGN STAFF

The 1.5-liter engine uses a computer-controlled, air-assisted direct fuel injection system. It is fitted with an electrically heated catalyst to produce ultra-low emissions. Runkle said the engine can produce 111 brake horsepower at 5,000 rpm and 127 foot-pounds of torque at 4,000 rpm.

GM has even put the powertrain through the same federal test procedure required to pass EPA economy and emissions tests. GM claims the EPA numbers for the car are 45 mpg city and 81 highway. At a constant 50 mph, the car gets 100 mpg.

Fuel tank capacity is five gallons — not much in a normal car, but up to 500 miles worth in the Ultralite.

Ultralite's lack of weight posed special challenges

JACK KEEBLER
Staff Reporter

In a 1,400-pound car, four passengers could easily weigh more than half as much as the vehicle.

So developing a smooth-riding suspension for General Motors' Ultralite fuel-efficient concept car provided a special challenge.

Because the sprung weight of the vehicle varies greatly, steel springs were ruled out. Instead, GM engineers specified air springs with linear height sensors at all four corners.

An on-board computer individually controls each air spring for vehicle load leveling and an aerodynamically optimized ride height. The basic suspension system hardware for all four wheels is aluminum upper and lower control arms. The front axles sport a tubular anti-sway bar.

Other technical solutions:

- Although high-mpg vehicles are usually fitted with manual transmissions, Ultralite's two-stroke is mated to a Saturn Corp. four-speed automatic transaxle with a 4.00 final-drive ratio and a tall .480 fourth gear overdrive. The tall ratio ensures that even at highway speeds the engine is turning over slowly, to ensure maximum fuel economy.
- Braking is provided by aluminum composite discs with low-drag all-aluminum calipers. The design eliminates the need for electrical or vacuum assist and is backed up by GM's ABS VI anti-lock unit.
- The steering system is a manual rack-and-pinion type. The car rolls on 175/65R18 Goodyear low-rolling resistance tires mounted on forged aluminum wheels.

Ultralite is a GM team effort by the Technical Staffs Group, Advanced Engineering Staff, Design Staff, Research Labs, Inland Fisher Guide, Delco Products, Delco Electronics, and Saturn. Outside sources include Scaled Composites Inc., Goodyear Tire and Rubber Co. and PPG Industries Inc.

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